

**DISCLAIMER**

*This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).*

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 28, 2002

APPLICATION OF

WASHINGTON GAS LIGHT COMPANY  
and  
THE SHENANDOAH GAS DIVISION  
OF WASHINGTON GAS LIGHT COMPANY

CASE NO. PUE-2002-00319

For approval of amendments to  
Rate Schedule No. 9, Firm  
Delivery Service Gas Supplier  
Agreement

ORDER PRESCRIBING NOTICE AND INVITING COMMENTS  
AND/OR REQUESTS FOR HEARING

On June 6, 2002, Washington Gas Light Company ("WGL" or "Washington") and the Shenandoah Gas Division ("Shenandoah") of WGL (hereafter collectively referred to as the "Companies") filed an application with the State Corporation Commission ("Commission") requesting the Commission to approve proposed amendments to Rate Schedule No. 9, "Firm Delivery Service Gas Supplier Agreement" of the Companies' respective tariffs filed with the Commission. The Companies' application proposes to require competitive service providers ("CSPs") to accept assignment of certain firm transportation resources when CSPs sell natural gas supplies to the Companies' customers through

**Effective April 9, 2002, the new Case Management System requires that the case number format for all Commission orders change from, e.g., PUE010663 to the following: PUE-2001-00663.**

their retail access programs. The Companies currently require that the CSPs accept assignment of certain storage and peaking resources. The specific revisions proposed by the Companies are in the "capacity assignment" section of Rate Schedule No. 9, "Firm Delivery Gas Supplier Agreement". WGL and Shenandoah propose that all costs associated with the tariff revisions be recoverable through either their Purchased Gas Charge ("PGC") provisions or other existing mechanisms. The Companies request authority to implement mandatory capacity assignment commencing with the November 2002 billing month.

The Companies maintain that the purpose of the proposed tariff revisions is to enhance the reliability of their distribution systems and to support the Companies' retail access programs in Virginia. The Companies note that they must take action to preserve upstream pipeline capacity with primary point firm transportation capacity to the Companies' city-gate. WGL and Shenandoah maintain that they cannot find significant evidence of sufficient, readily available upstream market options for design day transportation capacity at their city-gate. The Companies contend that they cannot depend on pipeline transportation capacity that was not contracted, or designed, for delivery to the Companies' city-gate. WGL and Shenandoah assert that CSPs generally have used secondary firm and/or interruptible transportation on interstate pipeline systems to

meet their delivery obligation to the Companies' distribution system. The Companies assert that the proposal for mandatory capacity assignment is necessary to permit Shenandoah and WGL to provide for continued system integrity, service reliability, and retail access.

NOW UPON CONSIDERATION of the Companies' application, the Commission is of the opinion and finds that this matter should be docketed and a procedural schedule established as prescribed herein. We note that Subsection D of § 56-235.8 of the Code of Virginia, the statute governing retail supply choice for natural gas customers, provides that amendments to an effective retail choice natural gas plan may take effect, after notice and opportunity for hearing, if the Commission determines that the retail choice plan is causing or is reasonably likely to cause the effects set forth in Subsection B of that statute. According to § 56-235.8 D of the Code of Virginia, plan revisions are effective only prospectively.

Subsection B of § 56-235.8 of the Code of Virginia authorizes the Commission to modify a plan filed by a gas utility to ensure that it conforms to the provisions of that subsection. Subsection B also provides that a retail choice plan shall be deemed approved if the Commission fails to act within 120 days or any extended period, which may not exceed an additional 60 days, ordered by the Commission.

Based upon these provisions of § 56-235.8, our decision on the instant application must be made after opportunity for notice and hearing, and within the decisional timeframes found in § 56-235.8 of the Code of Virginia. The Companies' proposals may not, therefore, take effect until, after notice and opportunity for hearing, we make our determination in this matter.

Consistent with the requirements of § 56-235.8 of the Code of Virginia, we find that the Companies should be directed to give notice to the public of their application and that interested parties should be given an opportunity to file comments and/or to request a hearing on the application. Further, we will direct the Commission Staff to investigate the Companies' application, and file a report, which may take the form of testimony, if appropriate, in the captioned matter.

Accordingly, IT IS ORDERED THAT:

(1) This application and all associated papers thereto are hereby docketed and assigned Case No. PUE-2002-00319.

(2) A copy of the Companies' application and this Order, as well as other documents now or hereafter filed in this matter, shall be made available for public inspection in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia

23218, between the hours of 8:15 a.m., and 5:00 p.m., Monday through Friday.

(3) On or before July 19, 2002, the Companies shall file with the Clerk of the State Corporation Commission, c/o Document Control Center, P. O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of the direct testimony, exhibits, and other materials, that they intend to rely upon in support of their application.

(4) Upon written request received by the Companies' counsel, the Companies shall provide a copy of the application and this Order at no cost to the requesting party. If acceptable to the requesting party, the Companies may provide these copies to the party making the request by electronic means.

(5) On or before August 12, 2002, any interested party wishing to comment or request hearing on the Companies' application shall file an original and fifteen (15) copies of written comments or requests with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P. O. Box 2118, Richmond, Virginia 23218. Interested parties shall refer in their filed papers to Case No. PUE-2002-00319, and shall serve a copy of such comments or requests on or before August 12, 2002, upon counsel for the Companies, Donald R.

Hayes, Esquire, Washington Gas Light, 1100 H Street, N.W.,  
Washington, D.C. 20080.

(6) Any request for hearing shall state why the issues raised in the request for hearing cannot be adequately addressed in written comments. If no sufficient request for hearing is received, the Commission may consider the Companies' application based upon the papers filed herein without convening a hearing at which oral testimony is received.

(7) On or before August 12, 2002, persons who file a request for hearing and expect to participate as a respondent should a hearing be scheduled in the matter shall also file a notice of participation as required by Rule 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure ("Rules"). All notices of participation shall be filed with the Clerk of the Commission and shall refer to Case No. PUE-2002-00319. A copy of any notice of participation shall be served on or before August 12, 2002, on counsel for the Companies, Donald R. Hayes, Esquire, Washington Gas Light Company, 1100 H Street, N.W., Washington, D.C. 20080.

(7) On or before August 23, 2002, the Commission Staff shall investigate the Company's application and shall file with the Clerk of the Commission a report, which may take the form of testimony, if appropriate, on the application. A copy of the

same shall be served upon counsel for the Companies and other parties of record.

(8) On or before July 19, 2002, the Companies shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout WGL's and Shenandoah's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION  
BY WASHINGTON GAS LIGHT COMPANY  
AND THE SHENANDOAH GAS DIVISION  
OF WASHINGTON GAS LIGHT COMPANY,  
FOR APPROVAL OF AMENDMENTS TO  
RATE SCHEDULE NO. 9, FIRM  
DELIVERY SERVICE GAS SUPPLIER  
AGREEMENT-CASE NO. PUE-2002-00319

On June 6, 2002, Washington Gas Light Company ("WGL") and the Shenandoah Gas Division ("Shenandoah") of WGL (the "Companies") filed an application with the State Corporation Commission ("Commission") requesting the Commission to approve proposed amendments to Rate Schedule No. 9, "Firm Delivery Service Gas Supplier Agreement" of the Companies' respective tariffs on file with the Commission. The Companies propose to require competitive service providers ("CSPs") to accept assignment of certain firm transportation capacity resources when they sell natural gas supplies to the Companies' customers through their retail access programs, in addition to the current requirement that these CSPs accept assignment of certain storage and peaking resources. The details of the specific tariff revisions are set forth in the Companies' application and accompanying documents. Interested parties are encouraged to review the application and

supporting documents for the details of these proposals.

The Companies maintain that the adoption of mandatory capacity assignment will promote the reliability of the Companies' system while providing support for the Companies' retail access programs in Virginia. The Companies have requested that they be permitted to implement mandatory capacity assignment commencing with the November 2002 billing month.

Interested persons may review a copy of the application and the Commission's Order Prescribing Notice and Inviting Comments and/or Requests for Hearing in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday. A copy of the application may also be obtained at no cost by interested persons by requesting the same from counsel for the Companies, Donald R. Hayes, Esquire, Washington Gas Light Company, 1100 H Street, N.W., Washington, D.C. 20080.

On or before August 12, 2002, any interested person wishing to comment and/or request a hearing on the Companies' application shall file an original and fifteen (15) copies of written comments and/or a request for hearing with the Clerk of the Commission at the address set forth below and shall serve a copy of any such filed papers, on or before August 12, 2002, on counsel for the Companies at the address set forth below. Any request for hearing shall state why the issues raised by the request cannot be adequately addressed in written comments. If no sufficient request for hearing is received, the Commission may consider the Companies' application based upon the papers filed herein without



convening a hearing at which oral testimony is received.

On or before August 12, 2002, interested persons, who file a request for hearing and expect to participate as a respondent should a hearing be scheduled in this matter, shall also file with the Clerk of the Commission at the address set forth below a notice of participation as required by Rule 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure and shall serve a copy of the same upon counsel for the Companies.

Interested parties shall refer in all of their filed papers to Case No. PUE-2002-00319. All comments, requests for hearing, and/or notices of participation shall be filed with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall simultaneously be served on counsel for the Companies, Donald R. Hayes, Esquire, at the address set forth above.

Official copies of the Commission's Order Prescribing Notice and Inviting Comments and/or Requests for Hearing may be obtained from the Commission's Document Control Center. The unofficial text of the Commission's Order Prescribing Notice and Inviting Comments and/or Requests for Hearing and other orders entered herein, the Commission's Rules of Practice and Procedure, as well as other information concerning the Commission and the statutes it administers, may be viewed on the Commission's web site <http://www.scc.state.va.us/scc/index/htm>.

WASHINGTON GAS LIGHT COMPANY  
AND THE SHENANDOAH GAS DIVISION  
OF WASHINGTON GAS LIGHT COMPANY

(9) On or before July 19, 2002, the Companies shall serve a copy of this Order on the Chairman of the Board of Supervisors of any county and on the mayor or manager of any city or town (or on equivalent officials in counties, towns, and cities having alternate forms of government) in the Companies' service territories. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(10) On or before July 19, 2002, the Companies shall serve a copy of this Order upon all CSPs who have obtained a license pursuant to §56-235.8 F of the Code of Virginia from the Commission to provide natural gas supply or aggregation services in the Companies' service territories. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(11) The Companies shall respond to written interrogatories within five (5) calendar days after the receipt of the same. Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

(12) On or before August 23, 2002, the Company shall file with the Clerk of the Commission proof of the publication and service required in Ordering Paragraphs (8), (9), and (10) herein.